



TESTIMONY OF RICHARD A. SODERMAN  
YANKEE GAS SERVICES COMPANY  
Transportation Committee—March 5, 2012

**H.B. No. 5369 AN ACT IMPLEMENTING A NATURAL GAS VEHICLE PILOT  
PROGRAM FOR MUNICIPAL FLEETS.**

My name is Richard Soderman and I serve as Director of Legislative Policy for Northeast Utilities Service Company. I am appearing on behalf of Yankee Gas Services Company.

This bill proposes to permit a natural gas vehicle pilot program between gas companies and municipalities. We support this bill.

Today our municipal governments face rising costs and challenges meeting their budgets. Fuel costs for municipal vehicles powered by diesel fuel oil (trucks, buses, tractors) are a substantial part of a community's entire operating budget, and it is rising substantially, depending upon international prices driven by politics, national security, supply and demand and energy trading activity. These vehicles can easily be fitted to operate on natural gas, and that option can be economic. Natural gas costs, on average, one-third less than conventional gasoline at the pump. The U.S. Energy Information Agency reports that natural gas, on average, costs 42 percent less than diesel fuel on an energy equivalent basis and is expected to cost 50 percent less by 2035. Natural gas is also substantially cleaner than diesel for transportation purposes.

The proposed legislation would permit a pilot program for municipalities to partner with natural gas companies to acquire and operate natural gas vehicles and install refueling facilities to demonstrate the viability of conversion of municipal transportation fuel from diesel to natural gas. Municipalities selected to participate in the program would receive grants to acquire at least 10 natural gas fueled vehicles (school buses, trucks, etc). These grants would be sufficient to offset the incremental cost of having vehicles outfitted with gas equipment. The local gas company would install a natural gas refueling facility within the municipality. The pilot program would be limited to three municipalities for each natural gas company.

Thank you for the opportunity to provide testimony on this proposal.